

School Finance Beacon



ARIZONA DEPARTMENT OF EDUCATION
TOM HORNE
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The *Phil-o-Sophic* Corner

In the last issue of the *School Finance Beacon*, I talked about the new mission statement for School Finance and our new organizational structure, both of which were designed to improve our customer service orientation. It has been flattering that so many of you have complimented us on the improvements that School Finance has made over the last two years, and we are very appreciative of, and encouraged by, your kind words and assistance in the betterment of the School Finance organization. Yet, there is still a long way for us to go if we intend to attain the performance goals we have set for ourselves.

In the future, we seek to achieve even higher levels of success by establishing *collaborative relationships* throughout the education community. These relationships will be focused on improving the state's return on the financial investments made for educating students in grades kindergarten through 12th (K-12). Such an endeavor will ultimately require teamwork between the Department of Education, the Local Education Agencies (LEAs) and the community in general.

Building collaborative relationships will initially require us to establish *shared goals* among all stakeholders. Secondly, we will develop synergistic processes to foster efficient

by Phil Williams

and effective business and administrative operations so as to support our goals and measure our progress against them. The process could begin with the identification of a single *overarching goal*; one intended to embrace principles that will be relative to all stakeholders.

I remember when we initiated the change process in School Finance; we decided the organization would be driven by the goal of becoming the "best school finance organization" in the nation. As we set out on this journey, we quickly learned that the actual attainment of the long term goal was significantly less important than making sure we made continuous progress toward the goal each day. It is rare that any major goal can be attained in one large effort. Such an undertaking normally requires many individual, yet interrelated, objectives that are synergized by one overarching goal that is shared by all stakeholders. The challenge we face is to find a common goal that can be used to synergize the diverse needs of all public education agencies including District and Charter schools, joint technological education districts, technology assisted project-based instruction and career and technical education programs.

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Retraction

Our August 2006 issue stated that Charters were required to provide an Affidavit of Publication of the FY06 Annual Financial Report. That statement is incorrect. Rather, the affidavit of publication for the AFR is not mandated for Charters. Thank you to Frank Yanez for pointing out this technical correction. We encourage all LEAs to become participative readers like Frank.

Upcoming Budget Dates:

- NOV 15—CLASSROOM SITE FUND NARRATIVE
CLASSROOM SITE FUND SCHOOL BY SCHOOL
AFR'S AFFIDAVIT OF PUBLICATION (ONLY APPLICABLE TO DISTRICTS)
- LATE NOV—IMPACT AID WORKSHOPS
- DEC 15—EXPENDITURE BUDGET REVISIONS (REVISED BUDGET FORMS ARE NOW AVAILABLE ON OUR WEBSITE)
- DEC 18—SUBMIT REVISED BUDGET ELECTRONICALLY TO ADE

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School Finance Beacon

**“WHAT DO WE
DO ABOUT THE
AFFIDAVIT OF
PUBLICATION IF
WE POSTED OUR
BUDGET ON
ADE’S
WEBSITE?”**

Publication of Hearing Notice & Summary of Proposed Budget

Pursuant to ARS 15-905(C), ADE began posting hearing notices and summaries of the proposed budget on the website for FY2007. Many Districts and Charters took advantage of this new publication option, which saved them money and made it easier for the public to view their District’s or Charter’s budget. As a result, many of you have called and asked, “What do we do about the affidavit of

publication if we posted our budget on ADE’s website?”

School Finance is in the final stage of releasing the affidavit. The affidavit of publication will be provided to all Districts and Charters that met the requirement of ARS 15-905(C). Notification of the availability of the affidavit will be sent out shortly.

New Look for the Budget Team

After 4 years of service, Rachel Arroyo has moved on to other opportunities. In August 2002, Rachel joined School Finance as a Budget Analyst and worked with the unit for just over 4 years. Rachel was instrumental in creating new workshops that provided Districts and Charters greater opportunities to understand the Budget and Expenditure reporting requirements, as well as the Impact Aid application and budget capacity calculations. In May of 2006, Rachel completed her MBA, and in July, found out she and her husband are expecting their first child in March 2007.

Rachel’s departure is not the only change to the School Finance Budget Team. Allan Hackett is the newest team member. Allan recently graduated from Arizona State University’s W.P. Carey School of Business with a Bachelors of Science in Finance. Prior

to being hired with the Arizona Department of Education, Allan worked as an Operations Manager for Galyan’s Trading Company.

Since April of this year, Mike Barragan has been a member of the Budget Team. He comes to ADE with five years experience, as a Contract Specialist with the State Board for Charter Schools and a year and a half experience, with a Phoenix Charter school.

As Director of School Finance Operations, Bonnie Betz is responsible for the Budget team, as well as the Payment team.

With Rachel’s departure, School Finance is anxious to fill its vacant position. For information on the position or to submit your resume, please email Jill Heikkila at jill.heikkila@azed.gov.

System Training and Response Distribution List

To improve communication with LEA staff regarding SAIS data submissions and other SAIS related issues, the STaR Team will be sending periodic email messages to its Distribution List. If you are interested in receiving these Bulletins, please visit the following link to subscribe to the STaR Team's Email Distribution List: <http://www.ade.az.gov/schoolfinance/STaR/TrainingAndAssistRequest/SignupForm.aspx>.

This form will also allow you to unsubscribe from the Distribution List. To view prior STaR Bulletins, please follow this link: <http://www.ade.az.gov/schoolfinance/STaR/SAISBulletins/FY2006-07/>

Whenever you have immediate need for assistance with specific issues related to SAIS, please visit our web site at <http://www.ade.az.gov/schoolfinance/star/> and click on "Request for SAIS Training and Assistance."

Revised 915 Deadlines—Data Correction Request

Pursuant to Laws 2006, Chapter 353, 2nd Regular Session, Section 7 (House Bill 2874)

“A school district or charter school may not make upward revisions to its average daily membership counts for a particular school year after June 30 of the subsequent school year.”

To allow for processing to complete before June 30, School Finance will make the following changes to the 915 process which will now be referred to as the Data Correction Request process:

- All Data Correction Requests must be submitted on or before close of business May 15, 2007.
- As of May 15 any data correction requests for membership data earlier than the prior fiscal year will no longer be honored. In other words, May 15th, 2007 is the deadline for any FY06 or prior Data Correction Requests.
- All upload windows for data corrections to prior fiscal years will be closed by end of the business day May 31, 2007.

- Any corrections that need to be made to data earlier than the prior fiscal year may still be considered if the change does not increase state-aid and/or budget capacity for that year.

Instructions for submitting a Data Correction Request may be found at the following URL:
<http://www.ade.az.gov/Schoolfinance/FAQs/DataCorrectionReq/DCRInstrs.pdf>

Once the request has been received, it will be logged for tracking purposes. An automatic response will be emailed to the SAIS Coordinator as indicated in ADE records. After the request has been reviewed, a School Finance team member will notify you by email when your window into the Student Detail Data Interchange (SDDI) is open to upload your data changes. Please allow one day for the processing, after uploading, before calling to check on the status.

The Phil-o-Sophic Corner (*continued from page 1*)

In pursuit of our initial goal to be the “best school finance organization” in the nation, we discovered early on that there was no way to measure our “relative success” in isolation. The School Finance functions of facilitating the K-12 budget and payment processes are only enablers, and their relative success or failure must be determined based on the impact of policies in the LEAs. Collectively, we (School Finance and the LEAs) should be able to identify the key indicators that determine our value-added contribution in the education environment and measure our performance against some standard or benchmark.

Might I suggest that a possible starting point for developing a collaborative framework between the LEAs and School Finance could evolve from a collective effort to identify key indicators that could be used for evaluating the efficiency and effectiveness of administrative processes conducted in School Finance and the LEAs. We could then benchmark our current performances and set standards or goals for improvement. I strongly believe that we can improve our value-added contributions and provide a greater return on investment by working more closely together in a more collaborative framework.

Please feel free to send a comment to the ListServ at the address: <http://groups.yahoo.com/group/SFAListServ/>, or drop by the next School Finance Advisory Committee scheduled for December 11, 2006, from 1:00 to 4:00 PM at the Arizona State Capitol, Executive Tower Building, 1700 West Washington, Grand Canyon Room (basement), Phoenix, AZ 85007.

Non Administrative Salary Increases

We have received several inquiries regarding the article on higher teacher salaries in the February edition of the “Tom Horne Reports to Educators” and the \$100 million appropriation for non administrative salary and benefit increases. This appropriation is included in the base support level amount of the Basic Equalization Calculations. To calculate the amount that your district or charter will receive for FY2007, use the total weighted student count located on the top of page two of the APOR55-1 or CHAR55-1 reports, then multiply this number by \$72.51. The total will be apportioned out per the payment schedule described in ARS 15-973 for districts and 15-185 for charters. Please note that this total amount must be expended on non administrative salary and benefit increases.

Kindergarten Funding—New in FY2007 and FY2008

Kindergarten Funding is based on student detail provided as follows:

- Upload Kindergarten students at actual FTE (full time equivalent), 0.5 for half time and 1.0 for full time.
- Kindergarten students will be aggregated to a maximum FTE of 0.5 regardless of actual FTE enrollment.

Kindergarten Funding is then calculated as follows:

Kindergarten weighted student count * District's or Charter's Base Level Amount (BLA)

- In FY 2007, funding generated for a kindergarten weighted student count is:
 $1 \text{ K student} = 0.5 \text{ FTE} * (\text{K-8 SLW} + 0.835 \text{ K wt.} + 0.060 \text{ K-3 wt})$
Which results in a range of 1.027 to 1.283 weighted student count (based on a support level weight (SLW) range of 1.158 to 1.669).
- In FY 2008, funding generated for a kindergarten weighted student count is:
 $1 \text{ K student} = 0.5 \text{ FTE} * (\text{K-8 SLW} + 1.352 \text{ K wt.} + 0.060 \text{ K-3 wt})$
Which results in a range of 1.285 to 1.541 weighted student count.

These weighted student counts are then multiplied by the District's or Charter's base level amount (BLA) and then, if a district, the Teacher's Experience Index (TEI).

All of this information is summarized on each LEA's APOR55-1 or CHAR55-1 reports. There has been no change in the calculations for Charter additional assistance, District capital outlay revenue limit or District soft capital allocations for kindergarten students. For more information on this topic, review ARS 15-943.

Charter School Corner

Payments on Estimated Counts: Due to the late implementation of FY2007 Integrity business rules and the subsequent delay of running FY2007 Integrity processing statewide, ADE School Finance has extended the use of the Charter Estimated Student Counts for the 2006-2007 school year through the November 15, 2006 payment. Please see School Finance Memorandum number 07-025 at <http://www.ade.az.gov/schoolfinance/Memos/FY2006-2007/07025.pdf> for more information.

SPED and ELL data: Please make sure that you validate your student level SPED and ELL data regularly. Charter schools will begin to receive funding on 40th day SPED data on December 15th (all SPED data successfully submitted and processed by the last ADE business day of November will be included on the December 15th payment). All charters will

begin to receive funding on 100th day SPED and actual ELL data on March 15th (all SPED and ELL data successfully submitted and processed by the last ADE business day of February will be included in the March 15th payment).

Non Federal Audit Expense: Did you know that you may be eligible to receive an increase to your equalization for non federal audit expenses? If you paid for any non federal audit expenses in FY2005 and include it in your FY2005 Annual Financial Report (AFR), FY2007 Budget Worksheet C and FY2007 Budget page 2, you will receive an increase to your Base Support Level in the amount that was included in your AFR. Non federal audit expenses are actual audit costs paid which cannot be charged to a federal project regardless of where the expense was recorded.

